



Natick Finance Committee

Pursuant to Chapter 40, Section 3 of the Town of Natick By-Laws, I attest that the attached copy is the approved copy of the minutes for the following meeting:

Town of Natick Finance Committee

Meeting Date: March 20, 2014

The minutes were approved through the following action:

| | |
|--------------|-----------------|
| Motion: | Approval |
| Made by: | Mr. Ciccariello |
| Seconded by: | Mr. Pierce |
| Vote: | 10-0-0 |
| Date: | April 8, 2014 |

Respectfully submitted,

James Everett
Secretary
Natick Finance Committee

NATICK FINANCE COMMITTEE MEETING MINUTES

March 20, 2014

**Natick Town Hall
School Committee Meeting Room, Third Floor**

This meeting has been properly posted as required by law.

MEMBERS PRESENT:

| | |
|---|-----------------------------------|
| Jonathan Freedman, Chairman | James Everett, Clerk |
| Karen Adelman Foster – left at 11:02 p.m. | Michael Ferrari |
| Jimmy Brown | Patrick Hayes |
| John Ciccariello | Mark Kelleher |
| Cathleen Collins | Jerry Pierce – left at 10:30 p.m. |
| Catherine M. Coughlin | Christopher Resmini |
| Bruce Evans, Vice Chairman | Edward Shooshanian |

MEMBERS ABSENT:

Mari Barrera

ATTACHMENTS:

- A. Agenda for this evening's meeting
- B. Natick Finance Committee Public Hearing Schedule – Updated March 19, 2014
- C. FY 2015 Budget Book Pages III.11-III.14 – Department: (Joseph P. Keefe) South Middlesex Regional Technical School, *Revised March 18, 2014*
- D. South Middlesex Regional Technical School: Apportionment Estimate for 2014-2015 By Town; Selected FY 2015 Budget and Historical Information
- E. Natick Public Schools Response to FinCom Questions FY 15 Budget
- F. FY 2015 Budget Book Pages V.3-V6 & V.37 – Department: Public Works, *Revised March 18, 2014*
- G. Budget Revisions Summary for: March 18, 2014 FIN COM Meeting
- H. FY 2015 Budget Book Pages IX.3-IX.12 – Department: Employee Fringe, *Revised March 18, 2014*
- I. FY 2015 Budget Book Pages X.3-X.26 – Department: Water & Sewer, *Revised March 18, 2014*
- J. Natick Public Schools – FY 15 Budget Presentation to FinCom March 20, 2014

Meeting was called to order by Mr. Freedman at 7:02 p.m.

The Chairman reviewed the evening's agenda.

OLD BUSINESS:**Public Hearing FY 2015 Budget & 2014 Spring Annual Town Meeting Warrant Articles:**

Mr. Freedman reopened the hearing on the FY 2015 budget.

A motion was made, at 7:07 p.m., to open the hearing on the 2014 Spring Annual Town Meeting Warrant Articles.

| | |
|---------------------|------------------------|
| Moved/Motioned by: | Mr. Everett |
| Seconded by: | Mr. Pierce |
| Motions or Debates: | None |
| Vote: | 14 – 0 – 0 (unanimous) |

Keefe Tech:

The Chairman welcomed Mr. Jon Evans, Superintendent, South Middlesex Regional Vocational Technical School, and Kirsteen Leveillee, Director of Finance & Business Operations, to the podium to present information relating to this budget.

The members were referred to information in the handouts (Attachments C & D) supporting this item.

Mr. Evans reported that, since the School's previous appearance before the Finance Committee in January, approval had been received from all five sponsoring towns for the roof replacement project and the School's FY 2015 operating budget had been finalized.

He highlighted the following:

- The final budget totals \$17,165,750 which represents an increase of only 1.49% over FY 2014.
- Natick's FY 2015 assessment totals \$1,091,902 which is a reduction of \$178,950 due to a drop in the number of Natick students attending the School.

A motion was made, at 7:12 p.m., to move favorable action on the amount of \$1,091,902 for the FY 2015 Keefe Tech budget.

| | |
|---------------------|--|
| Moved/Motioned by: | Mr. Ciccariello |
| Seconded by: | Ms. Collins |
| Motions or Debates: | <ol style="list-style-type: none">1. Mr. Ciccariello thanked the presenters for all their efforts saying he knew they took these budgets seriously and he appreciated the additional savings achieved because every dollar mattered. He wished the School good luck with the upcoming roof project.2. Ms. Collins also thanked the Keefe representatives for looking out for Natick's students and for doing such a great job with these budgets.3. Mr. Brown echoed the previous speakers' praise for the budget work and the education provided to the town's students.4. Mr. Pierce shared similar compliments and especially thanked the Keefe Administration for providing an alternative option for Natick students who might not be interested in, or able to attend college and applauded the quality of the education provided.5. Mr. Everett highlighted the budget increase of less than 2% saying it was greatly appreciated and he wished other departments could achieve this.6. Mr. Freedman said in the seven years he had been working with these budgets, he had observed a consistent trend exhibited by all |

| | |
|-------|---|
| | the representatives of this organization and that was the transparency and openness with which all of the budget meetings were conducted and the level of detail and scrutiny to each individual line item which was part of the budget development process. He said the Keefe Administration were good stewards of their organization including Natick's assets and he wholeheartedly supported what they were doing and wished them the best of luck. |
| Vote: | 14 – 0 – 0 (unanimous) |

Natick Public Schools:

Dr. Peter Sanchioni, Superintendent, NPS, and Mr. William Hurley, NPS Director of Finance, took the podium to present information relating to the FY 2015 School Department budget.

A handout (Attachment J) was distributed summarizing the School Administration's presentation and the members were referred to extensive supporting information and responses to member questions included in the evening's handouts.

Highlights of the presentation included the following:

- The total FY 2015 requested budget \$51,494,817 represents an increase of 5.98% over the FY 2014 appropriation.
- A total of 7.4 new FTE's are included in the proposed \$39,762,833 Salary budget (a 5.1% increase over FY 2014) to address mandated Special Education services across the District and high class sizes due to increased enrollment.
- Non-salary operating expenses are increasing by 9.2% over FY 2014 to \$11,731,984 due, in large part, to an \$809,337 increase in pupil service costs related to out of district tuition and transportation expenses for special education students.
- The final budget proposal was reviewed by the Financial Planning Committee and the Education Subcommittee and was voted and endorsed by the School Committee.

Ms. Collins reported that the Education & Learning Subcommittee did not take a formal vote on this budget as the details had continued to be revised until very recently and a quorum of members had not been in attendance at the final subcommittee meeting. She reminded the members that the School's original budget request had been for \$53,166,610 with 22.5 new FTE's and a "fiscal reality" budget had been reviewed in February cut to \$51,448,628, with no staff additions and only out of district special education, and contractual increases in transportation costs included. She reported that the Subcommittee had also discussed a wide range of issues including energy and building maintenance, transportation, charter school enrollment, end of year spending, turn backs and the critical need this year to conserve cash, salary budget increases and staff evaluation, special education, technology, curriculum and testing changes and the many and growing stresses on the system.

Member questions and discussion included the following:

- Partial FTE additions will be filled by increasing the hours of existing part-time staff. This will not add benefit expense as these individuals already receive benefits.
- Enrollment at the high school has increased by 221 students over the past five years and by 594 students system-wide over the past seven years. Past growth projections have consistently under estimated actual increases.

- Analysis of the school/general government budget percentage split over the past five years revealed that, although this fluctuated from year to year by as much as one percent, the actual ratio in 2014 was identical to that of 2009. The final budgets being proposed for FY 2015 reflect an increase of approximately 1% in the Schools' percentage share reflecting a shift of surplus funding from the general government budgets to help close the deficit on the school side.
- An amount of \$60,000 is budgeted for homeless student transportation in the FY 2015 budget.
- An amount of \$234,000 is budgeted for purchase of 500 iPads in anticipation of the transition from the existing MCAS proficiency testing to a new PARCC (Partnership For Assessment Of Readiness For College And Careers) computer-based testing model presently being developed. These additional devices will both expand the number of devices available for students in grades 3-7 to take the test on the same days and also increase access to this technology among the students in these lower grades to become acclimated and sufficiently skilled in their use to be ready for this testing.
- Although the current student population presents a variety of counseling needs, the ratio of students to guidance counseling staff will increase from 277:1 to 363:1 in FY 2015.
- A second report evaluating the impact of the 1:1 technology is anticipated to be available at the end of this year.

Public concerns and comments:

Mr. Dirk Coburn, Natick School Committee Chair, expressed gratitude to the School and Town Administrations for working so diligently to achieve the best possible outcomes for the Schools and said, in a perfect world, he would like there to be more in this budget, citing many unmet needs and remaining issues of concern which could not be funded. He read the following motion passed unanimously by the School Committee at its meeting earlier in the evening in support of the proposed budget:

Moved that the Natick School Committee endorse the Fiscal Year 2015 budget request of \$51,494,817 with the following understandings:

1. That the Natick School Committee and Administration acknowledge with sincere gratitude the partnership and collaboration of the general government boards and administration, particularly the Town Administrator, the Director of Finance, and the members of the Education Subcommittee, the Finance Committee and the Financial Planning Committee. We appreciate their willingness to share resources and, in some cases, sacrifice their own priorities in order to help the Natick Public Schools try to achieve its priorities. In short, we recognize that this budget request represents the best efforts of all involved parties to support the needs of the Natick Public Schools given the resources available to the town.
2. The Natick School Committee understands that, despite the best efforts of all parties, absolutely essential needs will go unfunded in the coming school year. Those needs are driven by:
 - The continued dramatic increases in enrollment with corresponding increases in class size and mandated special education services;
 - Mandated changes to the curriculum and testing; and
 - Increased social, emotional, academic, guidance and health needs of students.
3. The Natick School Committee firmly believes that education provided in the Natick Public Schools is both highly competitive and delivered in a financially

responsible way as demonstrated by the fact that per pupil spending in Natick is below the state average.

4. Finally, that it is the responsibility of the Natick School Committee to alert the boards of the town, Town Meeting and, most importantly, the citizens of the town that the costs to provide level services, let alone improved services in the Natick Public Schools have outstripped the resources available to the town to provide those services. So, while we endorse this budget request, in recognition of current fiscal realities and out of respect for our partners in government, we cannot embrace it as adequate for the needs of the school system. We believe it is time to engage in discussion across all key boards and with the public regarding priorities and values and what it will take to provide funding for those priorities and values in the next fiscal year and beyond.

Dr. Anna Nolin, Assistant Superintendent, NPS, said the School's faculty and Administration believed they were charged with extending the reach of the Schools as far as possible with the resources provided. Conceding that there was no substitute for the magic of the individual student/teacher interaction, she said it was possible to expand the teachers' reach with the use of technology tools and these devices could be helpful in situations where the teacher load and the complexity of students' needs were both increasing, allowing for increased speed, agility and individualization in addressing those needs. She said it had been a source of pride to build programs which allowed these neighborhood schools to be a place to which these students could return. With respect to the planned purchase of iPads, she noted that the required screen size precluded the purchase of minis and stressed the importance of planning for the phase in of the new PARCC testing saying this was only one of many "2 for 1s" and "3 for 1s" which these devices would represent.

Dr. Sanchioni announced that Ms. Nolin had recently been awarded a doctoral degree.

Ms. Carol Gloff, Chair of the Board of Selectmen, reported that the Selectmen had voted 4-1 in support of this budget.

A motion was made, at 8:14 p.m., to move favorable action on the amount of \$51,494,817 for the FY 2015 Natick Public Schools budget.

| | |
|---------------------|---|
| Moved/Motioned by: | Mr. Evans |
| Seconded by: | Mr. Pierce |
| Motions or Debates: | <ol style="list-style-type: none"> 1. Mr. Evans thanked all involved in the process of reaching this budget proposal saying it was a difficult year which presented many difficult choices but saying everyone realized this must be worked out for now and for the future. He also thanked the School Committee noting that none of the requests were frivolous and acknowledging that there were likely some additional positions needed but not filled. He said the town did have a problem at present resulting from enrollment growth and it was too soon to determine what revenue increase there might be from the new development, or what effect that might have on the tax base, so it was necessary to be prudent, and he appreciated the efforts of everyone to be prudent. 2. Mr. Pierce said the previous speaker had said it all and thanked all involved in getting to this budget. Reiterating a comment by an earlier speaker, he said it would be important to educate the public, not just the boards and Finance Committee, to raise awareness of these needs and that communication and education |

| | |
|--|--|
| | <p>were the best assets to do this.</p> <p>3. Ms. Collins said she thought few following these meetings would be unaware that things were tight and pointed out that the split methodology was developed several years earlier as a planning tool, but it was not sacrosanct and was meant to have some flexibility depending on the respective needs of both the schools and the municipal sides. She said this budget didn't meet many of the objectives initially set out by the School Department pointing out that it was almost \$1.7 million less than the original request and only slightly above the "fiscal reality" budget. She conceded there might be some aspects with which she might disagree, and said she wasn't sure of what was the right amount for technology, but was encouraged by the preliminary findings of the first evaluation of the 1:1 program by the Boston College consultants. She urged support noting that if some elements proved not to be needed the funds could be reallocated, and she could live with that. She said the town had made a commitment to education and therefore it should be funded, and having examined this budget closely she believed it was reasonable, and encouraged all to vote in support.</p> <p>4. Mr. Ciccariello noted that the administrations of both the schools and the town were confronting some difficult challenges and he expected these to get more and more difficult in the future. He gave credit to the Town Administrator for shifting some funds to the schools noting that the Finance Committee had heard from many department heads how much their departments were suffering due to the limits on available resources and he pointed out that the town's taxpayers were also suffering because they, too, had to live within their budgets. He said he had grave concerns about how the town would be able to satisfy community's demands related to educating their children pointing out that someone else was always paying for the education of others' children, and he encouraged the School Committee and the Administrations to continue to work hard on this, but said he was also concerned going forward with how these budgets would be funded as they continue to grow at this rate. He cited the large number of new building permits issued and the continuing growth in new housing saying this just exacerbated the problem. He thanked all who had spent so much time developing and reviewing these budgets.</p> <p>5. Mr. Everett said it was evident, based on how much of what happened in today's colleges and universities was online, that Natick's students needed to have the necessary skills to be ready to move into that environment, and into the work force, and it was therefore important to view the technology investment from a broader perspective than simply the issue of computer-based testing. With respect to concerns raised about moving funds from general government to the schools, he pointed out that this was one town and he didn't believe the question of transfer was an appropriate discussion point; rather the focus should be on the entire town's priorities. He said if the schools were looking for more funding, the drivers of that need should be examined, and</p> |
|--|--|

| | |
|--|---|
| | <p>these included special education, transportation and student enrollment growth, to mention only a few. He also said it was frustrating to see only the high level numbers when voting this budget and, although he was confident the Subcommittee had vetted this budget he would like to see the Budget Books detail updated in the same way other department budgets were updated as the budgets evolved. Finally, he acknowledged the pressures and challenges experienced by the Schools in getting down to this figure and said he would support favorable action.</p> <p>6. Mr. Brown said the continuing growth in the school-age population was clearly an issue and questioned whether the town needed the additional housing which was contributing to the pressures on the schools. He suggested that representatives from the schools and the School Committee might benefit from more closely following the hearings related to ongoing growth in town housing. He said it seemed to him that events were leading to a potential override and he hoped that wasn't pursued without examining every possible alternative; and suggested this might be a near-term issue for which a few years of belt-tightening would be enough to get through, urging a multi-year look, rather than making any decisions based on one budget cycle. He said he would support favorable action.</p> <p>7. Mr. Kelleher said he would also support favorable action but said he felt the \$700,000 transfer from the municipal to the school budget was important because this created the basis for the following year's allocations. Citing his calculation that the Schools' projected 62.3% share, up from 61.4% in FY 2014, would be the highest this percentage had ever been, he said he wanted all to be aware that this wouldn't come back in future years and he felt the priorities were shifting with school budgets rising 10% over the past couple of years. Noting that one new FTE proposed earlier to be added to the DPW budget had been withdrawn by the Town Administration he said he felt this represented a tradeoff in which the town was sacrificing in order to support the School's priorities.</p> <p>8. Mr. Hayes said he was strongly in support of the School's 1:1 technology program despite his detailed questioning and agreed with a previous speaker that this was one town and one budget. He pointed out, however, that it was the taxpayers who funded this and all, including himself, expected greatness from the schools, and in addition, he looked for efficiencies and fiscal prudence wherever possible. He suggested that the \$234,000 proposed to be spent from the operating budget for iPads might produce a more valuable outcome if this were to be used to fund additional staff, saying he believed that nearly every dollar spent thus far on technology to support the 1:1 program would be a recurring operating expense and attention needed to be given to figuring out how to fund both the ongoing needs for personnel and technology but in some years it may be necessary to "pivot and redirect" to achieve a more valuable outcome and there was an opportunity to do that this year which was being missed. Because of these reasons, he said he would not vote in favor of</p> |
|--|---|

| | |
|-------|---|
| | <p>this budget and would abstain.</p> <p>9. Ms. Collins explained that, when the split methodology and the Financial Planning Committee were created, the split was presented as an equation to provide a starting point at the beginning of every year's budget to allocate resources and shared expense based on the number of employees. She said it was never intended to be fixed, but to be readjusted as needed and appropriate and she reiterated that this was one budget and the split was not a perfect mathematical formula.</p> <p>10. Mr. Kelleher said he understood this was a starting point and could be changed, but said he wanted everyone to be aware that if the commitments of the past year and in this proposed budget to spend more on the schools were carried forward into each future year, the school would eventually crowd out the municipal side of the budget; and it was difficult to go back, once new staff were hired.</p> <p>11. Mr. Freedman agreed that budgets were about priorities and those had been presented by both the schools and the town. He pointed out that everyone was making compromises which was the process and the reason everyone was here. He said although he might not agree with every line item of every budget, that was okay because what he was looking for when he looked at the school's budget was the overall strategy and rationale behind what they were trying to achieve and evidence of decisions made for specific reasons. He said he did see evidence there was a strategy and that deep thought and analysis had gone into the development of this budget. He said he appreciated knowing this but also believed it was important that this be communicated more widely as this information was important to the entire town.</p> |
| Vote: | 13 – 0 – 1 |

Article 35 – Capital Equipment:

Mr. Freedman reminded everyone that a \$400,000 request by the School Department for technology to support the 1:1 program had generated considerable discussion when this Article was voted at a previous meeting; however, there had been no representation from the Schools present at that meeting and the item was deleted from the list recommended for favorable action. A request for additional information had subsequently been communicated to the School Administration and follow up information had been provided and distributed. Based on the additional information, he asked whether there was interest in reconsidering the Article.

Dr. Sanchioni apologized to the members for his absence at the March 13 meeting attributing this unintentional oversight to an overabundance of meetings, and thanked the Chair for the opportunity to speak to this item citing its critical importance to the school children and offering to provide any additional information needed.

Member questions and discussion included the following:

- This funding will purchase new laptops for the 8th grade students to replace heavily used devices and allow the older units, which have begun to require battery replacement around the 3-year point, to be taken out of circulation thereby extending their useful life. The expectation is that most of the old laptops will be re-purposed to provide opportunities for students in the lower grades to begin using and becoming familiar with

the technology in anticipation of the upcoming computer-based PARCC proficiency testing. Since the younger students will only use the equipment during school hours vs. the 24/7 usage by the 8th-graders, it is expected this will extend the useful life of the devices.

- This funding is distinct from the previously discussed \$234,000 item in the operating budget which will be used to purchase iPads intended to be placed in the classrooms for use throughout the year for various literacy and math-oriented applications.
- The program to train Natick students to repair laptops has been extremely successful with some students able to be employed in the local Apple store, and some to receive payment from the Schools for repairs for which the School receives reimbursement from Apple.
- The \$234,000 for the iPads is included in the operating vs. the capital budget to draw on a specific amount of annual funding for technology which was part of the previous override vote passed by the Natick voters several years ago.

A motion was made, at 9:05 p.m., to reconsider Article 35.

| | |
|---------------------|---|
| Moved/Motioned by: | Mr. Pierce |
| Seconded by: | Mr. Evans |
| Motions or Debates: | Mr. Pierce thanked the School Administration for their gracious apology and said he thought compelling reasons had been provided to support reconsideration of the Finance Committee's previous vote on this Article. |
| Vote: | 12 – 2 – 0 |

Public concerns and comments:

Dr. Nolin stated that her doctoral dissertation had focused on large scale technology deployment in Massachusetts and how superintendents were dealing with this very problem. She said simply focusing on the numerical ratio of devices per student was not the best way to evaluate this as there was a progression of different types of learning experiences throughout the grades beginning with “station-based” teaching at the elementary level which exposed students to the diversity of technology and moved gradually, as the students progressed through the grades, to more rigorous preparation in grade five to prepare the students for the 1:1 experience and develop media literacy and cyber safety skills, as well as writing and managerial aspects of technology use. In addition, she said technology was deployed in various ways for specific types of experiences citing, as one example, the heavy concentration in the autism program where technology had been shown to assist with social skills development.

Mr. Coburn said the School Committee had voted to support this Article. He said he was aware this was something which could arguably be categorized as either a capital or operating expense but when something was in the operating budget, it needed to be smoothed out from year to year for comparison purposes. He noted that the initial laptop purchase had been a lease, and pointed out that leasing incurred additional expense, whereas the opportunity to treat this as a capital purchase with non-recurring funding, made available through the generosity of the Town Administration, saved the extra cost of leasing and he thought this was a prudent way to proceed.

A motion was made, at 9:13 p.m., to move favorable action on the amount of \$1,954,000 to be funded with \$819,000 from the Capital Stabilization Fund, \$890,000 from Tax Levy Borrowing and \$245,000 from Water & Sewer Retained Earnings for Article 35 - Capital Equipment.

| | |
|--------------------|------------|
| Moved/Motioned by: | Mr. Pierce |
|--------------------|------------|

| | |
|---------------------|---|
| Seconded by: | Ms. Coughlin |
| Motions or Debates: | <ol style="list-style-type: none"> 1. Mr. Pierce said he appreciated the additional information provided and the clarification by the Assistant Superintendent regarding how this technology was used throughout the school system. 2. Mr. Brown said he would support favorable action but was bothered that this was put forward as a capital expense and not included in the operating budget saying he hoped this would not become a precedent leading to similar capital Articles in future years because he viewed this as similar to books and other educational supplies which should be covered from operating funds. He agreed the equipment was needed and said he hoped it was proving its value in student performance results and looked forward to continued transparency regarding these costs. 3. Mr. Everett agreed that consistency was needed in the application of funding sources for this, rather than using both capital and operating budgets. He said he appreciated the explanation and expertise of the Assistant Superintendent and believed this technology was needed and he was glad there was focus on its appropriate use among the grades. 4. Mr. Hayes said he agreed with previous speakers regarding the issue of capital vs. operating funding sources. Given the Assistant Superintendent's expertise, he said he looked forward to receiving much more detail in the future regarding how this technology was being deployed in Natick. He noted that he had based his earlier comments on data he had been given by the Schools and, although he had repeatedly requested additional information, that had not been provided, so he encouraged the Administration to detail how technology was used for specific programs because the public needed that clarification. He said he was still frustrated by the fact that the Schools were going into the fourth year of this program and although repeated requests had been made for a long range plan, this had still not been provided. He said better understanding of the plans for deployment going forward would help him and others to support this. 5. Ms. Collins said she shared the previous speaker's frustration regarding getting the additional information requested but was happy to see the School Committee was beginning to take a look at sustainability of this going forward so she hoped to get a better understanding in the future. She said she understood the initially intended plan and would support this funding. She stressed that the more information the members received, the more support she expected for the funding. 6. Mr. Ciccariello said he wouldn't support this, not because he didn't think it was needed, but because there had been ample opportunity to provide information to the Finance Committee, as was required of every department presenting their budget to the Committee, but it had taken a great deal of effort to get this from the School Department. In addition, a great deal of the information was sent out at 11:45 the previous evening, and more was received today, and that didn't give him sufficient time to |

| | |
|-------|--|
| | <p>review the material in order to ask questions and understand it. He also was bothered that, because Article 36, which also included capital requests from the Schools had been voted at a previous meeting and, since it was not on this evening's agenda, he wasn't able to raise questions about the relative importance of respective items among all the School Department's requests. He said he hoped this wouldn't happen again in the future.</p> <p>7. Ms. Adelman Foster said she would support this but understood the frustrations and annoyance expressed by previous speakers regarding the process, and appreciated members' willingness to address the substance of these needs in spite of that. Having served on the School Committee, she said it was sometimes forgotten that that body met every other week and received information with an often excruciating level detail regarding the pedagogical and financial rationale for these requests; and it was the job of the School Committee to sort through the requests and set the priorities, which was a collaborative process with the Administration, completed over the course of many months, and she reminded all that, despite the compressed nature of this step, the Finance Committee's review was not the only scrutiny of these requests.</p> |
| Vote: | 12 – 2 – 0 |

Article 18 – Homeless Student Transportation Subsidy:

Mr. Freedman reminded the members that this Article had come before the Committee at a previous meeting and had received a vote to recommend favorable action on appropriation of \$233,000 to be funded from free cash.

Mr. Jeff Towne, Deputy Town Administrator/Finance Director, explained that, in discussion with the School Administration, the question of whether the full \$233,000 or some lesser amount would be needed under this Article since there was an expectation that some reimbursement from the state for the previous year's expenditures would be received before the end of the fiscal year. After further discussion, however, they had concluded it would be wise to leave the request at \$233,000 due to uncertainty as to whether the state would actually reimburse that amount. He pointed out that, if the full reimbursement was received, and this money was not needed, it would fall to free cash and it was the Administration's recommendation that this not be reconsidered.

Town Clerk:

Mr. Freedman reminded the members that the Finance Committee currently had a recommendation of favorable action on the Town Clerk's budget in the amount of \$252,793.

Mr. Towne explained that the Finance Committee had also voted favorable action on a salary amount for the Town Clerk of \$80,000, which was \$1,800 higher than the \$78,200 included in the budget amount voted so an adjustment would need to be made to reconcile this difference.

A motion was made, at 9:31 p.m., to reconsider the Town Clerk's budget as a result of the previous vote on the Town Clerk's salary.

| | |
|---------------------|------------------------|
| Moved/Motioned by: | Mr. Ciccariello |
| Seconded by: | Mr. Pierce |
| Motions or Debates: | None |
| Vote: | 14 – 0 – 0 (unanimous) |

A motion was made, at 9:32 p.m., to move favorable action on the amount of \$254,593 – \$232,443 for Salaries and \$22,150 for Operating Expenses – for the FY 2015 Town Clerk's budget.

| | |
|---------------------|---|
| Moved/Motioned by: | Mr. Everett |
| Seconded by: | Mr. Pierce |
| Motions or Debates: | Mr. Everett said this was to assure consistency with the prior vote of the Finance Committee. |
| Vote: | 14 – 0 – 0 (unanimous) |

Department of Public Works:

Mr. Bill Chenard, Deputy Town Administrator-Operations, joined Mr. Towne at the podium to speak to this item.

The members were referred to supporting information (Attachments F & G) included in the evening's handouts.

Mr. Towne explained that adjustments to the budget voted earlier for the Highway & Sanitation division of Public Works were needed to reflect removal of one new position earlier proposed to be added to the division. He reviewed the changes to the line items affected.

A motion was made, at 9:35 p.m., to reconsider the Public Works Department budget.

| | |
|---------------------|--|
| Moved/Motioned by: | Mr. Evans |
| Seconded by: | Mr. Pierce |
| Motions or Debates: | <ol style="list-style-type: none">1. Mr. Evans said reconsideration was needed based on this new data.2. Mr. Pierce concurred.3. Mr. Ciccariello said he was opposed to reconsideration saying he did not support eliminating this proposed new position and pointed out that there had been a great deal of discussion regarding the need for the position and he didn't see why now it was not so important. He questioned whether the reason for this was to permit the funds to be transferred to another budget.4. Ms. Collins said the only way to get answers to these questions was to reconsider this budget, pointing out that it wasn't necessary to make any change if the information presented didn't warrant that, but only by reconsidering could the questions be presented. |
| Vote: | 11 – 3 – 0 |

Ms. Martha White, Town Administrator, explained that the budgeting process was a balancing act and that adequate funds were not available to meet all the town's needs, citing the shortfall in the School Department from what they considered to be a minimum threshold, as well as the recently settled Fire Department contract and additional personnel considered to be necessary to provide needed services for the town. In the end, she said although she didn't think the DPW position was not essential, she weighed that against the necessity of providing sufficient funding for the Fire Department and the number of additional positions needed in the schools for which funding was not available. She explained that although eliminating this position would defer the sidewalk improvement program envisioned, a plan would be developed over the upcoming year which could be implemented at a later point when funds were available to add the position back to the budget.

Member questions and discussion included the following:

- The recent accident in the DPW has reduced what that department can do on a non-emergency basis; however, one vacant position will be filled and it is hoped the injured employee will be able to return to work soon.
- Serious sidewalk issues will continue to be addressed by the department with existing resources.
- It was pointed out that the operating budget could be reviewed in the fall and there could be an opportunity to add this position at that time.

A motion was made, at 9:56 p.m., to move favorable action on the amount of \$6,853,866 – \$3,368,673 for Salaries, \$1,881,769 for Expenses, \$1,453,424 for Energy and \$150,000 for Snow & Ice – as printed on the *March 18, 2014 revised* page V.3 of the Budget Books, for the FY 2015 Public Works department budget.

| | |
|--------------------|--------------|
| Moved/Motioned by: | Mr. Everett |
| Seconded by: | Ms. Coughlin |

A motion was made, at 9:57 p.m., to move favorable action on the amount of \$6,891,393 – \$3,405,850 for Salaries, \$1,882,119 for Expenses, \$1,453,424 for Energy and \$150,000 for Snow & Ice – as printed on the *January 2, 2014* page V.3 of the Budget Books, for the FY 2015 Public Works department budget.

| | |
|--------------------|-----------------|
| Moved/Motioned by: | Mr. Ciccariello |
| Seconded by: | Mr. Brown |

| | |
|---------------------|--|
| Motions or Debates: | <ol style="list-style-type: none"> 1. Mr. Everett pointed out that one of these amounts must be voted in order to have a recommendation for Town Meeting and said if the higher number was supported, the budget would be out of balance, and funds would have to be found to cover it. He said he would like to hear from the maker of the alternate motion where he proposed to find the necessary funds and said he would be strongly opposed to taking it from the merit/performance funds for non-union personnel. He pointed out that there would be an opportunity in the fall to take another look at the budget and refine both revenue and expense projections, and it was possible this position could be added back at that time. He agreed this was an important position but pointed out that government involved compromises and a compromise had been reached between the schools and the town regarding what they believed to be the priorities and this position had to be cut to make that work. He said he would prefer not to cut the position but this compromise had been reached by rational people with careful consideration and full understanding of the ramifications so he suggested going with the lower number. 2. Ms. Coughlin noted that she had voted against this budget in January because of the number of new positions being added and said she would support favorable action on the lower amount. 3. Mr. Ciccariello said the Committee had heard considerable testimony regarding how important this position was and the need to repair the town's sidewalks because they presented an urgent safety issue. He said safety was extremely important to him; and sometimes, in the real world of business, compromise |
|---------------------|--|

| | |
|--|---|
| | <p>meant that leadership and management – not necessarily employees – had to take a hit. Pointing out that \$157,000 was included in the Fringe budget for merit raises, he noted that in the previous year this budget had been \$150,000, of which the Administration used \$50,000 for a one-time bonus to get the 75/25 health insurance contribution split, and he believed that meant \$50,000 could be freed up and still leave \$107,000 to provide cost of living adjustments for the non-union employees. He said he would support the original budget amount to fund this very important public safety item and said he couldn't support penalizing the town's most efficient department which came forward every year with vision and new ideas to save the town money.</p> <p>4. Mr. Brown agreed with the previous speaker that this department had been repeatedly "beat up" in the past. He pointed out that the members had been told this position wasn't only needed for the sidewalks but would also help address other needs in the department. Alluding to earlier discussion of the town/school split, he suggested that this was an example of the schools beginning to erode the needs of the town, and pointed out that well maintained sidewalks were also important to the safety of the school children, and funding this position would send the message that balance between the school and town needs must be maintained. He said he was sure the \$50,000 could be found somewhere and urged support for the higher amount.</p> <p>5. Mr. Evans said he appreciated the position of other members that there were funds available elsewhere but, in his view, this had been a give-and-take process in which it was acknowledged that all the positions proposed were essential and of those, which were most critical this year. To the question of whether the sidewalk improvements could be deferred, he said the management had, to their credit, said yes. He said he didn't view the split allocations as permanent and agreed that, over time, critical decisions would need to be made to make sure this didn't continue to skew toward the schools at the expense of the rest of the community, but he didn't believe that point had been reached at this time, so he would support the lower amount and urged other to do so as well.</p> <p>6. Mr. Pierce said he had attended the School Committee meeting earlier in the evening and had heard over and over how both the town and school Administrations had come together to make this recommendation, and he said he respected all the due diligence behind this and didn't want to pull apart what so many had come together tonight to put before the Finance Committee. He said he was glad to hear that the Town Administrator wanted a master plan developed saying he believed a master plan was needed for almost all segments of the town's operations. He said he could support postponing the work and was glad to hear there might be a possibility this position could be funded mid-year. He said he was in full support of the lower amount.</p> <p>7. Mr. Shooshanian said he would also support the lower amount, saying this was a consequence of how the budget process was</p> |
|--|---|

| | |
|--|---|
| | <p>approached. He recalled the first meeting when the DPW budget was presented including several new positions and the ease of supporting all the positions based on a sense of having ample funding. He said he had later wondered if it might be preferable to have all the positions put forward at the end of the process allowing each to be voted on its merits, thereby giving the Finance Committee a choice in the decisions, but he recognized that would be difficult. In the absence of a change in the process, however, he said this was the Administration's decision and he would support the Administration's recommendation.</p> <p>8. Ms. Adelman Foster agreed that it was an awkward process since the total available funding amount wasn't known at the beginning and said it was difficult for the Finance Committee to weigh relative impacts and because everyone was advocating for their own interests. She said she thought the Financial Planning Committee, although not part of the Charter, was a good addition to the process, because that presented an opportunity for a smaller group to weigh impacts and that was valuable. She pointed out that the way the split equation was proposed and worked was as a starting point and a way to structure an extremely uncomfortable conversation about relative pain since, ultimately, this was a zero sum game in which difficult decisions needed to be made. She said she would love to see the sidewalks in excellent shape but had to respect that the compromise reached, which included discussions at the Financial Planning Committee regarding relative impacts and pain, came up with something which was agreeable to all those involved with all those competing interests, so she would support the lower amount.</p> <p>9. Mr. Kelleher said although he was extremely sympathetic to the arguments made in support of the higher number, he would support the lower amount. He said this was a specific example of what he had been referring to in comments he had made earlier in the evening regarding how priorities were being set. He pointed out, however, that it was not his job, but that of the administrators to set the priorities and they were the ones paid to make these tough calls, so he would support their recommendations.</p> <p>10. Mr. Hayes said it was true that it was the Town Administrator's decision as to what was presented in these budgets, but pointed out that it was the job of the Finance Committee to vet these budgets and it was OK to disagree and he disagreed with this. He said he was very frustrated to see this come back, and he respected that it was the Town Administrator's decision, and he understood how this point had been arrived at, but he didn't agree with it. He agreed that budgets were about priorities but said everyone lost when there were limited funds available and reminded the members that a large number of Program Improvement Requests (PIR) were never presented to the Finance Committee because department heads and the Town Administrator prioritized and made decisions to determine which would be put forward. He said he had observed, over the past several years, that two different approaches were used by the</p> |
|--|---|

| | |
|----------------------------|--|
| | <p>School and Town Administrations in developing and presenting their respective budgets: the School Department put almost everything they wanted into their initial budget proposal and then fought to keep as much as they could, whereas the General Government developed an initial budget based on the bare minimum to support minimally level services and then fought to get some additions in. He said he was philosophically opposed to this approach because it arrived at this point where something which had been said to be pretty important for good reasons less than two months ago was being taken out because those who put everything in at the start had, again, fought successfully and prevailed. He said this frustrated him immensely and that was why he would vote to support the higher amount because he believed this position was important.</p> <p>11. Ms. Collins said she agreed the Finance Committee was charged with looking at everything and that reasonable people had made some compromises, and she appreciated their ability and willingness to make those compromises. She said she also agreed with a previous speaker that there was money in another budget which could fund this; and she disagreed that taking less than \$50,000 of that money would mean that there would be no performance raises for non-union personnel. She said reallocating some of that money to fund what was clearly articulated to be a vital position would still leave a considerable amount available to meet the other goal, so she would support the original budget amount.</p> <p>12. Mr. Everett said he appreciated all the comments and concerns expressed by other members and said he believed that if there were some real safety issues with the sidewalks the DPW would manage to take care of those with, or without, this position. He asked that, if the motion for the higher amount were to fail, members supporting it should not vote against the lower amount as it was important for the Finance Committee to have a positive recommendation on this department's budget.</p> <p>13. Mr. Freedman agreed that if there were serious safety issues those would be taken care of, and also pointed out that the merit pool was not just for managers, but covered several staff as well, and if those funds were removed, it was likely that those employees would be affected. He also suggested that this shouldn't be characterized as a hit on the DPW since there were still three new positions being added as well as one in the Water & Sewer Enterprise budget. Finally, he said he didn't agree that eliminating this position represented a sacrifice for the schools pointing out that the Administration had explained that additional funding was required to fund the recently settled contracts in the Fire Department. He said it was clear these people were not happy about having to make this decision, but unpopular decisions sometimes had to be made and that was what they were paid to do.</p> |
| Vote: (\$6,891,393) | 4 – 10 – 0 |
| Vote: (\$6,853,866) | 12 – 2 – 0 |

The Chair called a brief recess at 10:25 p.m.

The Chair called the members back to order at 10:36 p.m.

Employee Fringe & Insurance:

The members were referred to revised Budget Book pages (Attachment H) for this budget included in the evening's handouts.

Mr. Towne reviewed the changes to this budget since its initial presentation in February as highlighted on Attachment G, which resulted in a total reduction of \$338,045.

Member questions and discussion included the following:

- Although six FTE's are being added in the School Department, the budget reflects a total of five based on the School Administration's indication that only 75% of their personnel take health insurance from the town.
- The \$100,000 reduction in funding for the tier #3 safety net is based on utilization experience to date since that benefit was implemented.
- The total \$157,500 funding proposed for the merit/performance set-aside reflects \$20,000 for potential market adjustments, \$25,000 for one-time merit payments and \$112,500 for performance adjustments for approximately 65 non-union personnel.

A motion was made, at 10:58 p.m., to move favorable action on the amount of \$15,935,074 – \$15,777,574 for Other Personnel Services and \$157,500 for Performance Plan – as printed on the *March 18, 2014 revised* page IX.3 of the Budget Books for the FY 2015 Employee Fringe budget.

| | |
|---------------------|--|
| Moved/Motioned by: | Mr. Everett |
| Seconded by: | Mr. Evans |
| Motions or Debates: | <ol style="list-style-type: none"> 1. Mr. Everett noted there had been considerable earlier discussion of this budget and, as mentioned by the presenters, this could be a bit uncertain and the Administration was conservative and might budget a bit more to be on the safe side, but if this wasn't all spent it would fall to free cash. He pointed out that \$338k had been taken out of the original proposal, approximately half of which was related to reduction in the number of new positions, but the rest was based on analyses requested by the Finance Committee and he appreciated the Administration taking a second look and making these further adjustments rather than simply staying with figures based simply staying with past practice. He urged approval of this budget. 2. Mr. Evans seconded the previous speaker's comments and said he appreciated the additional detail and analysis to arrive at a better number in a year when every dollar counted. |
| Vote: | 12 – 1 – 0 |

Water & Sewer Enterprise – Fringe Benefits:

Referring again to detail summarized on Attachment G, Mr. Towne explained that funds were being shifted from the Water & Sewer Debt Service budget to Water & Sewer Fringe Benefits to update the figures presented in February to reflect the January 2014 Pension valuation which had been received since the prior discussion of this budget. He further explained that the bottom line total for the Enterprise would not change because the Debt Service total for the MWRA was being reduced by an approximately equivalent amount to

eliminate an earlier projected interest expense for what would actually be a zero percent interest loan from that agency.

Mr. Freedman pointed out that that, since the motion on these budgets presented to Town Meeting included the sub-totals for the respective budget categories he felt it would be preferable to re-vote this budget to reflect these changes.

A motion was made, at 11:07 p.m., to reconsider the Water & Sewer Enterprise budget.

| | |
|---------------------|------------------------|
| Moved/Motioned by: | Mr. Ciccariello |
| Seconded by: | Ms. Collins |
| Motions or Debates: | None |
| Vote: | 12 – 0 – 0 (unanimous) |

A motion was made, at 11:09 p.m., to move favorable action on the amount of \$11,895,288, as printed on the *March 18, 2014 revised* page X.3 of the Budget Books, for the FY 2015 Water & Sewer Enterprise budget.

| | |
|---------------------|------------------------|
| Moved/Motioned by: | Mr. Everett |
| Seconded by: | Mr. Ciccariello |
| Motions or Debates: | None |
| Vote: | 12 – 0 – 0 (unanimous) |

Bacon Free Library:

Mr. Freedman advised that although there was no additional or new information on this budget, there was a PIR for \$3,000 which members had expressed interest in reevaluating at the end of the budget cycle.

Ms. Coughlin said she had been one in favor of trying to find a way to support this but, after what the Committee had heard earlier in the evening regarding the necessity of reducing the DPW position, she felt it would be hypocritical if she were to request reconsideration for this item.

Mr. Brown said he was also a proponent of this item when this budget was previously discussed and pointed out that the cost was only \$3,000. Given the amount being spent on the schools and the fact that the Library was also part of the educational system he felt it would be hypocritical not to support this.

A motion was made, at 11:12 p.m., to reconsider the Bacon Free Library

| | |
|---------------------|--|
| Moved/Motioned by: | Mr. Brown |
| Seconded by: | Mr. Hayes |
| Motions or Debates: | <ol style="list-style-type: none"> 1. Mr. Brown said this was for books, supplies and periodicals, and he thought this should be reconsidered, pointing out that considerably more had been approved to be spent in this category for the Morse Institute Library. He said the Library Director was enthusiastic and trying to do a good job and this was similar to many other department requests for funding to pay for tools to do their job. 2. Mr. Hayes reminded all that he had previously been a trustee of this Library and had a good idea of how the Library was run and how they spent their budget. He said he knew this money would go a long way to buy books, particularly for the early childhood reading program which was probably their strongest group of patrons. He urged support for reconsideration saying given size of this request he believed there was probably a way to find the |

| | |
|-------|---|
| | amount somewhere in the budget. 3. Mr. Evans said he also supported this noting that this addition would increase the Library's budget for this purpose to \$12,000 and he urged support for reconsideration. 4. Mr. Freedman said he was very sympathetic to this request and would like to see the Library get this but was unsure of where funds would come from to offset this addition and, without some reallocation this would put the budget out of balance, so he would not support reconsideration. |
| Vote: | 5 – 7 – 0 |

Mr. Freedman stated that, as the reconsideration motion had failed, the budget would stand as previously voted.

A motion was made, at 11:18 p.m., to close the public hearing on the FY 2014 Fall Annual Town Meeting Warrant Articles.

| | |
|---------------------|------------------------|
| Moved/Motioned by: | Ms. Collins |
| Seconded by: | Mr. Evans |
| Motions or Debates: | None |
| Vote: | 12 – 0 – 0 (unanimous) |

Mr. Freedman announced that, based on his survey of members' availability, a Finance Committee meeting would be held on March 25, 2014, beginning at 8 p.m. when the polls closed. He reviewed the items remaining to be addressed at that meeting as Article 22 – Collective Bargaining; reconsideration of the Board of Selectmen and Fire Department budgets to reflect the Fire Department contract settlements; and the Omnibus Articles 14 and 15. It was noted a snow overdraft request would also be presented at the March 25 meeting.

Discussion followed regarding the timing for which the members could expect to receive the materials to support those agenda items.

ADJOURN (11:28 P.M.):

A motion was made to Adjourn at 11:28 p.m.

| | |
|---------------------|------------------------|
| Moved/Motioned by: | Mr. Ciccariello |
| Seconded by: | Mr. Evans |
| Motions or Debates: | None |
| Vote: | 12 – 0 – 0 (unanimous) |